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Ameritech.

Lynn Shapiro Starr
Vice President
Regulatory Affairs

February 18, 1999

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: **Ex Parte Statement**
CC Docket 98-141, CC Docket 98-147
and CC Docket 98-178

Dear Ms. Salas:

On February 16, 1999, Richard Notebaert, Chairman and Chief Executive Officer, Kelly Welsh, Executive Vice President and General Counsel, Barry Allen, Executive Vice President - Regulatory and Wholesale Operations, Gary Lytle, Vice President - Federal Relations, John Lenahan, Associate General Counsel, Ed Wynn, Vice President - Regulatory Policy, and I met with Commissioner Tristani and Paul Gallant, Legal Advisor. We discussed Ameritech's views regarding trends in the telecommunications industry towards serving customers nationally and internationally with a full range of product offerings and explained it is this trend that is driving all of the industry mergers, including that of Ameritech and SBC.

We also advocated the need for an expeditious decision on the pending merger. The attached material was used as part of our discussion.

Additionally, we discussed Ameritech's proposal for LATA boundary modifications for its advanced data services subsidiary and our position that a DSLAM should not be classified as a network element. Ameritech expressed concern about the certainty of 271 requirements and discussed its view that AT&T should be required to provide open access to AT&T/TCI's broadband facilities and services.

Sincerely yours,

Lynn Starr

Attachment
cc: Commissioner Tristani
Paul Gallant

The "New" AT&T

AT&T

Global Network (Data Services)

- $5B acquisition from IBM
- 1M Internet customers
- Dedicated access in 900 cities/100 countries
- Presence in 93 of 100 Concert cities

Global Services

- Largest international alliance
- $10B AT&T/BT joint venture
- Targets multinational firms
- 100 cities in U.S.+ 237 countries

AT&T (Wireless)

- U.S. Largest National Wireless Provider
- 9M+ customers nationwide
- 89 cities and 225M POPs
- 15% U.S. cellular market
- Covers 93% U.S. by license

AT&T (Long-Distance)

- Largest L.D. company
- 100M access lines
- 63% of access lines
- 52% of L.D. revenues

Teleport (Local Access)

- Largest Alternative Local Access
- $13B acquisition
- 83 major U.S. markets
- 20M customers

- 2nd largest U.S. cable TV company
- $48B acquisition
- 26M direct and indirect cable TV customers
- Goal to reach 60% U.S. households
- @Home Internet access

- Joint venture announced 2/99
- Largest U.S. cable TV company
- 33 states; 12.6M customers

- Largest National Internet Service Provider
- 1.3 M direct customers
- Add 1 M IBM Global Internet customers
- National service footprint

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The "New" MCI WorldCom

MCI WorldCom (Long Distance)

- 2nd largest LD provider with 25% of U.S. market
- 100 fiber-based local networks; 45,000 route miles

MCI WorldCom (Local Access)

- Owns 3 of the 4 largest CLECs
  - MFS
  - Brooks Fiber
  - MCI Metro
- Reaches 75% of local business market
  - 100 cities; 105 MSAs
  - Residence local service in Illinois, Michigan and California

MCI WORLDCOM

- Leads in transAtlantic/transPacific cable deployment
- Large Pan-European network reaches 7,000 buildings
- Ownership in Telefonica and Embratel

MCI WorldCom (Wireless)

- Resale only

- Largest collection of Internet access
- Backbone presence in 475 cities in U.S.
  - UuNet
  - ANS
  - CompuServe network
- Data as percent of total sales leader

[redacted]

Sprint

Sprint United (Local Service)

- 7th largest local phone company in U.S.
- 8 million access lines in 19 states
- Substantially higher access charges than Ameritech or SBC

Sprint (Long Distance)

- 3rd largest LD company
- Leading SONET LD carrier

Sprint PCS (Wireless)

- National wireless carrier
- 2 M customers; growing 2 M per year
- Addressable market of 240 million customers

[redacted]

- Partner in Global One with Deutsche Telekom and France Telecom
  - Presence in 65 countries
  - DT, FT each own 10% of Sprint
- UniSource joint venture with Dutch, Swedish and Swiss PTTs
- Telemex joint venture
- Sprint Canada (25% owned)
- Israel (Barak - Global One)
- China

[redacted]

- Leader in packet data
  - Targeting Top 75 U.S. markets
- No. 2 Internet services provider (Earthlink)
- Sprint ION nationwide integrated service

The "New" SBC/Ameritech

Ameritech

SBC

Local Service

- 2nd largest local phone company in U.S
  - 58.2M access lines in 13 states
- National-local strategy for Top 50 markets

- AIT: Largest non-European telecom investor in Europe (more than $10B total value) – 15 countries
- SBC: $8B investment; 11 countries

Wireless

- Nationwide cellular presence
- In 9 of top 10 U.S. markets
- Serve combined 10.5 M customers
- Within reach of half of U.S population
- Pending acquisition of Comcast cellular
- 850K customers

Cable TV

- Ameritech is the industry's competitive cable system leader
- 95 franchises; 77 communities
- SBC has pledged to continue

- Largest ADSL Roll-out (SBC)
- Ameritech national backbone provider
- Internet 1 and Internet 2

- Ameritech: 1.2 M customers in 50 states and Canada
- 2nd largest U.S. provider
- 92 of top 100 markets

The New Bell Atlantic/GTE

Bell Atlantic

GTE

- Largest U.S. Local Phone Company
- 64M access lines in 38 states

Long Distance

- 4th largest LD company (GTE)
- 2.5M customers in 50 states

- Bell Atlantic – 23 countries
  - Mexico (wireless)
  - Europe
- GTE -- 17 countries
  - Central/South America
  - Canada
  - Pacific Rim
  - Asia

- Largest cellular provider
  - BellAtlantic - 8 M customers;25 states
  - GTE: 4.6 M customers;17 states
- PrimeCo PCS partner (Bell Atlantic)

- GTE Internet via BBN Technologies unit